



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 04–3, 2004 SES Pay Conversion Notification

Date: January 23, 2004

To: Holders of Title I Procedures
Personnel Users Groups
Agency Personnel Offices

In January 2004, a new performance–based pay system will take effect for the Federal Government’s Senior Executive Service (SES). The current six–level pay system will be replaced with a single, open–range “payband”. SES members will no longer receive the automatic annual across–the–board pay increase at the time of the pay adjustment for the General Schedule (GS) employees and Executive Schedule officials. Agencies may however, give SES members pay increases **based on the employee’s individual performance and/or contribution to the agency’s performance**. Some agencies may choose to give their SES members such pay increases at the time of the January pay increase. Also, under the new SES pay system SES members will no longer receive locality–based comparability payments.

Effective Pay Period

Effective Pay Period 01, 2004 (January 11, 2004), NFC will system generate the conversion action necessary to convert SES members to the new pay system. With the conversion action, a member’s rate of basic pay plus any applicable locality payment in effect immediately prior to January 11, 2004, will be combined to establish the member’s new rate of basic pay within the new open pay range. This rate will then become the SES member’s rate of basic pay for all computation purposes.

Processing Conversions

- NFC will process a Nature of Action Code (NOAC) 894, Legal Authority Code ZLM/Public Law 108–136, Section 1125, and Remarks Code M97 (to be used for SES members subject to post–employment restrictions under 18 U.S.C. 207(c)).
- The authentication date for these actions will be the same date the Executive Order for the Federal pay increase was signed (i.e., December 30, 2003).
- Currently, an SES member’s pay level is shown in the Step field on the SF–50. With the conversion action, the step will be changed to “00”. The grade will also remain “00”.
- The Scheduled Salary field on the member’s Payroll/Personnel Data Base Record will be updated to agree with the member’s Adjusted Salary field.

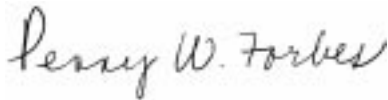
Once this conversion action has applied, agencies may process a subsequent pay increase for SES members by processing a NOAC 894/VWH with an effective date of January 11, 2004, an authentication date **after** December 30, 2003, and Remarks Code M97 (if applicable). To be eligible for a pay increase in Pay Period 01, the SES member may not have received a pay increase in the previous 12-month period. It is the agency's responsibility to monitor this eligibility requirement. Refer to the Office of Personnel Management's (OPM's) Compensation Policy Memorandums (CPM) 2004-01 and 2004-03 for further guidance.

Additional Information

Agencies will be responsible for identifying which individuals are entitled to pay adjustments based on the factors outlined in the OPM regulations related to the new SES pay scale. Agencies are encouraged to review all related CPM's for guidance on the new SES performance-based system and notification of changes in post-employment restrictions coverage for SES members. Additional OPM guidance on the new SES pay system will be provided in the near future.

Inquiries

For questions about policy/regulations, contact your Agriculture Payroll/Personnel User Group (AGPUG) representative or Committee for Agriculture Payroll/Personnel System (CAPPS) representative. For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**.



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